

Profitability, Growth and Market Valuation of Leading Pharmaceutical Companies in India: A Comparative Financial Analysis

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ABSTRACT

The profitability, growth, volatility and market valuations of 10 of the Indian pharmaceutical companies have been assessed in the study. The Quarter wise data of the 24 Quarters starting from FY 2020-21 to FY 2025-26 was considered for the following companies Sun Pharmaceutical Industries, Dr Reddy's Laboratories, Cipla, Divi's Laboratories, Lupin, Torrent Pharmaceuticals, Zydus Lifesciences, Biocon, Aurobindo Pharma and Glenmark Pharmaceuticals. Profits were calculated through Net Profit Margins, while market values were calculated through the Price to Earnings Ratio and Price to Sales ratio. Revenues from operations, Profit after Tax and Market Capitalization were calculated through average quarterly growth rates, maximum and minimum growth rates and standard deviation. Divi's Laboratories had the highest Net Profit Margin percentage of 28.17% along with the highest Price to Sales ratio of 51.55. Zydus Lifesciences had the highest CAGR of Market Capitalization of 29.38%, Biocon had the highest CAGR of revenue of 14.70% with a negative CAGR of Market Capitalization. There were differences in profitability and market valuation ratios among the companies, and high valuation multiples did not correlate with profit growth. A rank based composite assessment was done where Divi's Laboratories was placed at the top, followed by Torrent Pharmaceuticals and Cipla. The study highlights that the financial strength in the Indian pharmaceutical sector can be said to be multidimensional and company specific depending on the profitability, operational stability, quality of growth and expectations of investors.

Keywords: Net Profit Margin, Financial Growth, Market Valuation, Market Capitalization, Pharmaceutical Companies.

INTRODUCTION

Finance performance is different concept to measure since it cannot be evaluated through a single accounting or market element. Profitability measures the company's capacity to convert revenues earned into profit; growth shows the presence of recent expansion process; volatility means the degree of performance stability; and value ratios display the willingness of investors to pay for the company. Thus, it is possible for a pharmaceutical company to have a high growth of revenue while its profit is low, or a low fluctuation of revenue during the quarter while it gets a high value on the market. The Indian pharmaceutical sector consists of organizations that manufacture diverse types of products, have various degree of export possible and industry-specific regulatory threats. Therefore, returns on investment, growth and market share differ

significantly when companies belong to the same field of activity. Individual analysis of financial performance is the only way to identify whether companies are used to justify high market valuation.

This paper studies ten listed companies and collects the data for each of them for 24 quarters from FY 2020-21 to FY 2025-26, which results in analysis of 240 sets of firm-quarter data. The document being analyzed makes evaluation of revenue, profit net, basic EPS, share price and market cap, using different statistical techniques.

REVIEW OF LITERATURE

Bhaumik, Driffield and Pal (2010)

In the study called Does Ownership Structure of Emerging-Market Firms Affect Their Outward FDI? The Case of the Indian Automotive and Pharmaceutical Sectors, the authors Bhaumik et al. have analyzed the influence of ownership structure on international expansion of Indian firms. Firm-level data from the Indian automotive and pharmaceutical sectors were used in this study along with variables such as family ownership, ownership concentration, and foreign equity participation. Results of the study showed that family-owned firms or privately held firms were less likely to carry out outward FDI, while foreign equity participation facilitated internationalization. The results of the study imply the impact of ownership structure in terms of opportunities for growth, development of strategic competencies and overall financial performance of Indian pharmaceutical firms.

Purkayastha, Manolova and Edelman (2020)

In their research titled Innovation and Internationalization in the Indian Pharmaceutical Sector: The Moderating Role of Ownership Structures, authors Purkayastha, Manolova, and Edelman explored the interrelationship among research intensity, ownership structure, and internationalisation. To conduct the study, they researched the data of 616 firm-year observations for 88 active Indian research pharmaceutical firms and employed the technique of random-effects two-stage least squares panel regression. It was found that international expansion positively correlated with the research intensity, but family ownership increased the strength of the relationship between research intensity and internationalisation. The conclusion made indicates that both innovation capabilities and mode of ownership are the main determinants of the growth of a pharmaceutical company, but just foreign institutional ownership does not deliver good results.

Behera and Rath (2021)

Researchers Behera and Rath, through their study The COVID-19 Pandemic and Indian Pharmaceutical Companies: An Event Study Analysis, analyzed the performance of stocks of Indian pharmaceutical companies amid COVID-19. They have made use of event-study method for the purpose of calculating abnormal return as well as cumulative abnormal returns, and studying the sustainability of the results across various models. In their study, they verified that the pharmaceutical sector has generated good average returns, although performance varied across individual companies considerably. The findings imply that stock market value and returns in pharmaceutical sector are determined by unique fundamentals of each company and expectations of the investors.

Mittal and Sharma (2021)

In their research The Effect of COVID-19 on Stock Performance of the Indian Healthcare and Pharmaceutical Industry, Mittal and Sharma studied the sector-specific daily closing values for 233 business

days. The authors implemented the event-study technique to determine abnormal and cumulative abnormal returns and contrasted the pharmaceutical and healthcare industry with other sectors using a supplementary econometric model. Their results showed the presence of abnormal returns during the event period, though the industry did not show statistically significant performance as compared to other industries. The authors conclude that the positive market valuation during the unique events should be analysed in the context of comparative performance and statistical significance.

Lourdesraj et al. (2021)

In their research entitled Efficiency of Nifty Pharma Index during COVID-19 Pandemic in India, Lourdesraj et al. analyzed ten pharmaceutical stocks. The researchers used data on daily closing price from December 2019 to November 2020 and employed descriptive statistics and the Augmented Dickey-Fuller test and the GARCH(1,1) model. The outcome of the research establishes that volatility was experienced by all of the pharmaceutical stocks, with the highest volatility exhibited by Divi's Laboratories and the lowest by Biocon for the given period. The results indicate the importance of placing volatility and stability in the comparative study of performance of pharmaceutical companies.

Lobo and Bhat (2024)

Lobo and Bhat studied the different factors that have caused investors to exhibit different behaviours in their investment decisions in the pharmaceutical market, especially during Covid-19. In their study, the two authors collected data from 305 retail investor respondents through an online questionnaire and analysed the data using the Theory of Planned Behaviour as well as Partial Least Squares Structural Equation Modelling techniques. The findings of the study indicated that an investor's attitude, subjective norm, perceived behavioural control, and attention to market fundamentals play an important role in affecting their investment decisions when investing in pharmaceutical securities.

Varghese et al. (2025)

The research team composed of Varghese, Santhosh, Anjana, and Francis, in their article Fundamental Research and Analysis of India Pharmaceutical Sector, evaluated the financial health, growth opportunities, and attractiveness of the selected Indian pharmaceutical companies. They used secondary financial data on these firms to do Altman Z-score analysis, PESTEL analysis, and Porter's Five Forces framework on Cipla, Sun Pharma, and Dr. Reddy's Laboratories. The researchers concluded that Dr. Reddy's Laboratories has the best overall financial health. They established that while Cipla and Sun Pharma are financially secure, they are in the Altman Z-score grey area.

Research Gap

Past investigations have analyzed pharmaceuticals-related returns, risk, investor psychology, and innovations of the industry. However, the available literature does not contain comparative analyses of profitability, growth, variability of earnings, growth of market value, and valuation of stocks in the context of the same sample of major pharmaceutical firms operating in India.

A high P/E or P/S ratio does not necessarily translate into better financial results because such ratio may depend on low current earnings or extraordinary accounting items. The same is true for situations when sales grow very fast, but profits are low and market capitalization remains mostly unchanged. This paper tries to bridge the gap mentioned above through a comprehensive comparison of the Net Profit Margin, growth rates, degree of volatility, P/E Ratio, P/S Ratio, and Market Capitalization.

Objectives of the Article

1. To analyze the profitability of the selected pharmaceutical companies in India: The article analyzes as well as compares the net profit margin of these companies during the financial years from 2020-21 to 2025-26.
2. To analyze the market valuation of the selected pharmaceutical companies: The article evaluates and compares the price-to-earnings ratio and price-to-sales ratio.
3. To evaluate the financial performance indicators in terms of growth as well as volatility: The article gets to know the average quarterly growth, maximum as well as minimum quarterly growth, standard deviation, overall percentage change and CAGR of revenue, profit after tax, as well as market capitalization.
4. To rank the pharmaceutical companies according to financial aspects: The article identifies the companies with the highest profitability, good operating growth, low volatility as well as the best market valuation during the research period.

RESEARCH METHODOLOGY

Research Design

This study utilizes a research design which is also quantitative, descriptive, analytical and comparative. Descriptive statistics are used in determining the central tendency and variability of financial variables. Ratio analysis used for evaluation of the profitability and market valuation, and trend analysis for evaluation of short-term changes and long-term growth..

Nature and Sources of Data

The study is based entirely on secondary data compiled from quarterly financial results, published market information and other corporate disclosures contained in the source document. The study period extends from FY 2020-21 to FY 2025-26.

Sample of the Study

The following ten listed Indian pharmaceutical companies were purposively selected:

1. Sun Pharmaceutical Industries Ltd.
2. Dr Reddy's Laboratories Ltd.
3. Cipla Ltd.
4. Divi's Laboratories Ltd.
5. Lupin Ltd.
6. Torrent Pharmaceuticals Ltd.
7. Zydus Lifesciences Ltd.
8. Biocon Ltd.
9. Aurobindo Pharma Ltd.

10. Glenmark Pharmaceuticals Ltd.

Each company contains 24 quarterly observations, resulting in 240 firm-quarter observations. The source document reports complete quarterly coverage and retains genuine exceptional financial items because they represent actual corporate events rather than data-entry errors.

Variables of the Study

Dimension	Variable	Measurement
Profitability	Net Profit Margin	Profit after Tax as a percentage of Revenue from Operations
Market valuation	Price-to-Earnings Ratio	Share Price divided by Basic EPS
Market valuation	Price-to-Sales Ratio	Market Capitalization divided by Revenue from Operations
Operating growth	Revenue growth	Quarterly and long-term change in Revenue from Operations
Profit growth	PAT growth	Quarterly and long-term change in Profit after Tax
Shareholder-wealth growth	Market Capitalization growth	Quarterly and long-term change in Market Capitalization
Volatility	Standard deviation of growth	Dispersion of quarterly growth rates
Stability	Coefficient of variation and growth volatility	Relative variation in financial-performance measures

Data Validation

The datasets of the company were checked for completeness, absent values, negative values, outliers and peculiar financial facts. Whenever negative profits, extraordinary expenses, compensation payments, losses and one-off earnings occurred as real facts of economic life, they were left in the database. This way it guarantees an accurate reflection of the reality but makes it hard to properly interpret P/E ratios and the modified PAT figures in extraordinary quarters.

Statistical Tools

1. Arithmetic mean and median
2. Minimum and maximum values
3. Standard deviation and coefficient of variation

4. Net Profit Margin
5. Price-to-Earnings Ratio
6. Price-to-Sales Ratio
7. Average quarter-on-quarter growth
8. Maximum and minimum quarterly growth
9. Overall percentage change
10. Compound Annual Growth Rate
11. Rank-based composite performance analysis

Correlation and OLS regression are not used in the comparative ranking because the present article does not attempt to estimate a causal relationship between variables. The analysis instead concentrates on profitability, growth, stability and valuation, in accordance with the four stated objectives.

Source: Research methodology adapted from the uploaded Chapter 4 statistical analysis document.

Mathematical and Statistical Models

Model for Objective 1: Profitability Evaluation

Net Profit Margin is calculated as:

$$NPM_{it} = \frac{PAT_{it}}{REV_{it}} \times 100$$

Where NPM_{it} is the Net Profit Margin of company i in quarter t , PAT_{it} is Profit after Tax and REV_{it} is Revenue from Operations.

The average Net Profit Margin is:

$$\overline{NPM}_i = \frac{\sum_{t=1}^n NPM_{it}}{n}$$

A higher average NPM indicates greater efficiency in converting sales revenue into net profit.

Model for Objective 2: Market-Valuation Evaluation

The Price-to-Earnings Ratio is calculated as:

$$P/E_{it} = \frac{P_{it}}{EPS_{it}}$$

Where P_{it} represents quarter-end Share Price and EPS_{it} represents Basic Earnings per Share.

The Price-to-Sales Ratio is calculated as:

$$P/S_{it} = \frac{MCAP_{it}}{REV_{it}}$$

Where MCAP_{it} represents Market Capitalization.

The average valuation ratio is:

$$\overline{V}_i = \frac{\sum_{t=1}^n V_{it}}{n}$$

The median P/E and P/S ratios are also considered in the ranking model because the arithmetic mean may be distorted by temporarily low or negative earnings.

Model for Objective 3: Growth Analysis

Quarter-on-quarter growth is calculated as:

$$g_{it} = \frac{X_{it} - X_{i,t-1}}{X_{i,t-1}} \times 100$$

Where X represents Revenue, PAT or Market Capitalization.

Average quarterly growth is:

$$\overline{g}_i = \frac{\sum_{t=2}^n g_{it}}{n - 1}$$

The overall percentage change is:

$$Overall\ Change_i = \frac{X_{i,n} - X_{i,1}}{X_{i,1}} \times 100$$

The Compound Annual Growth Rate is:

$$CAGR_i = \left[\left(\frac{X_{i,n}}{X_{i,1}} \right)^{\frac{1}{Y}} - 1 \right] \times 100$$

Where Y represents the number of years between the first and final observations.

Model for Volatility and Stability

The standard deviation of quarterly growth is calculated as:

$$SD_{g,i} = \sqrt{\frac{\sum_{t=2}^n (g_{it} - \overline{g}_i)^2}{n - 2}}$$

The coefficient of variation is:

$$CV_i = \frac{SD_i}{\bar{X}_i} \times 100$$

A lower standard deviation or coefficient of variation indicates comparatively stable performance.

Model for Objective 4: Composite Ranking

Four pillar ranks are calculated:

$$PR_i = \text{Rank}(\overline{NPM}_i)$$

$$GR_i = \frac{\text{Rank}(\text{Revenue CAGR}) + \text{Rank}(\text{PAT Overall Change}) + \text{Rank}(\text{Market Cap CAGR})}{3}$$

$$SR_i = \frac{\text{Rank}(\text{Revenue SD}) + \text{Rank}(\text{PAT SD}) + \text{Rank}(\text{Market Cap SD})}{3}$$

$$VR_i = \frac{\text{Rank}(\text{Median P/E}) + \text{Rank}(\text{Median P/S})}{2}$$

The Composite Average Rank is:

$$CAR_i = \frac{PR_i + GR_i + SR_i + VR_i}{4}$$

For profitability, growth and valuation, higher values receive better ranks. For volatility, lower standard deviations receive better ranks. The company with the lowest Composite Average Rank is assigned the highest overall position.

Statistical Analysis and Interpretation

Source for Tables 1-5: Compiled and reorganised from the company-wise ratio and growth tables in the uploaded Chapter 4 document.

Profitability and Market-Valuation Analysis

Table 1: Comparative Profitability and Valuation Ratios

Company	Average NPM (%)	Minimum NPM (%)	Maximum NPM (%)	Mean P/E	Median P/E	Mean P/S	Median P/S
Sun Pharmaceutical	14.17	-24.11	22.78	217.49	156.31	30.38	20.83
Dr Reddy's Laboratories	15.78	1.61	22.77	302.09	90.30	14.88	14.90
Cipla	17.08	6.74	37.02	109.02	100.32	15.80	15.05
Divi's Laboratories	28.17	17.32	37.96	190.13	192.04	51.55	50.12

Lupin	12.82	5.37	16.93	99.72	102.30	12.59	12.32
Torrent Pharmaceuticals	15.49	5.53	17.97	256.66	233.23	18.57	18.72
Zydus Lifesciences	17.16	10.97	46.03	103.43	88.66	17.13	13.36
Biocon	10.79	4.08	20.33	170.02	149.26	15.15	12.23
Aurobindo Pharma	11.53	7.88	14.11	65.84	63.49	7.58	8.18
Glenmark Pharmaceuticals	13.28	9.93	15.61	50.01	43.79	6.74	5.55

Interpretation: Divi's Laboratories had the best average Net Profit Margin of 28.17%, with Zydus Lifesciences following closely at 17.16% and Cipla at 17.08%. Biocon had the lowest average margin of 10.79%, while Aurobindo Pharma registered 11.53%. Divi's also took the highest average P/S value at 51.55, which indicates that investors believed that the company's revenue-generating capacity was worth a lot more than its actual revenue.

Dr Reddy's had the highest average P/E of 302.09, but it had a median P/E of only 90.30. This discrepancy was due to the fact that extraordinarily low quarterly earnings resulted in some unusually high P/E values, even reaching more than 3,000 in one quarter. Therefore, median P/E is a better indicator of Dr Reddy's normal valuation.

Revenue Growth and Volatility

Table 2: Growth Analysis of Revenue from Operations

Company	Average QoQ Growth (%)	Maximum Growth (%)	Minimum Growth (%)	Growth SD (%)	Overall Change (%)	CAGR (%)
Sun Pharmaceutical	0.20	27.64	-58.69	17.82	-34.06	-6.70
Dr Reddy's Laboratories	2.59	20.91	-13.87	7.33	70.06	9.25
Cipla	2.16	18.17	-7.54	6.38	56.83	7.79
Divi's Laboratories	3.43	23.41	-13.88	8.78	100.53	12.30
Lupin	2.88	16.39	-11.35	6.06	85.01	10.80
Torrent Pharmaceuticals	2.56	16.84	-5.12	4.07	75.93	9.87

Zydus Lifesciences	3.11	63.82	-57.90	20.16	22.18	3.39
Biocon	3.66	7.15	-1.17	1.64	127.73	14.70
Aurobindo Pharma	2.22	12.21	-7.49	4.65	62.09	8.38
Glenmark Pharmaceuticals	2.75	9.67	-5.53	3.04	84.88	10.79

Interpretation: Biocon's Revenue CAGR was the highest at 14.70 per cent, while its revenue-growth volatility was the lowest at 1.64 per cent. Divi's Laboratories has reported the second-highest Revenue CAGR of 12.30 per cent, while Lupin and Glenmark followed in the third and fourth positions. Sun Pharmaceutical has a negative Revenue CAGR of 6.70 per cent and a significantly high quarterly volatility. Zydus Lifesciences has also demonstrated considerable revenue volatility, with the quarterly additions showing a surge of around 63.82 per cent and a drop of about 57.90 per cent.

Profit-Growth and Volatility Analysis

Table 3: Growth Analysis of Profit after Tax

Company	Average QoQ Growth (%)	Maximum Growth (%)	Minimum Growth (%)	Growth SD (%)	Overall Change (%)	CAGR (%)
Sun Pharmaceutical	-23.46	134.76	-209.48	81.24	136.76	Not meaningful
Dr Reddy's Laboratories	50.84	1,257.26	-87.75	265.34	-62.04	-14.91
Cipla	3.49	118.40	-58.63	41.42	-64.08	-15.69
Divi's Laboratories	5.27	50.28	-46.87	21.19	96.75	11.94
Lupin	7.56	117.41	-51.39	34.13	89.08	11.20
Torrent Pharmaceuticals	9.97	249.15	-61.81	54.37	88.89	11.18
Zydus Lifesciences	28.78	480.78	-74.36	110.28	332.34	27.64
Biocon	26.50	388.54	-79.49	96.06	161.64	17.39
Aurobindo Pharma	3.63	68.57	-26.81	20.32	54.98	7.57
Glenmark Pharmaceuticals	5.25	43.67	-24.42	12.65	176.08	18.44

Interpretation: Zydus Lifesciences marked the highest PAT CAGR of 27.64 percent along with the highest overall PAT growth of 332.34 percent, however, Zydus Lifesciences' PAT growth was very frequent. Glenmark had one of the highest PAT CAGRs at 18.44 percent with the lowest standard deviation of PAT growth of 12.65 percent. Divi's Laboratories and Aurobindo Pharma also had relative stability in profit growth.

Dr. Reddy's Laboratories and Cipla posted negative PAT CAGRs due to their fourth-quarter profits being considerably lower than the profits during the first quarter. Sun Pharmaceutical's PAT CAGR should not be treated as valid since the negative and extraordinary earnings of the base period do not allow us to carry out the standard calculation of CAGR. Consequently, the increase in PAT of Sun Pharmaceutical has also to be analyzed along with its high volatility.

Market-Capitalization Growth and Volatility

Table 4: Growth Analysis of Market Capitalization

Company	Average QoQ Growth (%)	Maximum Growth (%)	Minimum Growth (%)	Growth SD (%)	Overall Change (%)	CAGR (%)
Sun Pharmaceutical	6.63	29.40	-9.20	10.49	294.52	25.70
Dr Reddy's Laboratories	3.26	12.54	-12.81	5.96	101.04	12.34
Cipla	4.80	33.06	-14.91	10.29	164.84	17.62
Divi's Laboratories	6.50	38.84	-18.94	15.21	242.63	22.78
Lupin	5.18	49.82	-20.97	15.42	155.30	16.91
Torrent Pharmaceuticals	2.15	27.73	-27.97	10.57	44.16	6.29
Zydus Lifesciences	7.74	46.34	-13.97	13.71	368.95	29.38
Biocon	0.18	15.42	-15.27	8.03	-2.99	-0.50
Aurobindo Pharma	3.49	60.88	-28.85	18.46	58.57	7.99
Glenmark Pharmaceuticals	7.75	60.13	-11.96	16.45	344.57	28.23

Interpretation: Zydus Lifesciences achieved the highest CAGR in market capitalization of 29.38 per cent. Glenmark Pharmaceuticals and Sun Pharmaceutical followed with a CAGR of 28.23 per cent and 25.70 per cent, respectively. Dr. Reddy's Laboratories reported the lowest volatility of market capitalization value

among the companies that managed to have an increase in market capitalization. Biocon is the only company that had a negative CAGR of market capitalization despite the highest CAGR of revenue.

The gap between Biocon's operational performance and market capitalization illustrates the fact that revenue gains alone are not sufficient for the creation of shareholder wealth. Market value is a result of profit, risk, future expectation, and quality of growth.

Comparative Ranking

Table 5: Composite Financial-Performance Ranking

Overall Rank	Company	Profitability Rank	Growth Rank	Stability Rank	Valuation Rank	Composite Average Rank
1	Divi's Laboratories	1.00	3.67	6.00	1.50	3.04
2	Torrent Pharmaceuticals	5.00	7.00	4.67	2.00	4.67
3	Cipla	3.00	7.67	4.67	5.00	5.08
4	Sun Pharmaceutical	6.00	5.67	6.67	2.50	5.21
5	Zydus Lifesciences	2.00	3.67	8.33	7.00	5.25
6	Dr Reddy's Laboratories	4.00	7.33	6.00	6.00	5.83
7	Glenmark Pharmaceuticals	7.00	2.67	4.00	10.00	5.92
8	Biocon	10.00	4.67	3.67	6.00	6.08
9	Lupin	8.00	5.00	5.67	6.00	6.17
10	Aurobindo Pharma	9.00	7.67	5.33	9.00	7.75

Interpretation: Divi's Laboratories took the top position overall as a result of the combination of the highest profitability, strongest P/S ratio and high average P/E ratio. Torrent Pharmaceuticals was placed second, owing to its premium valuation as well as stable revenue growth, though it achieved modest Market Capitalization CAGR. Cipla was placed third as it possesses high profitability along with average stability and Market Capitalization growth.

Zydus Lifesciences achieved good growth in terms of profit and Market Capitalization but got a low rank in stability term due to significant volatility across the quarters. Glenmark performed well in terms of growth and stability, but it is at the lowest place in terms of valuation due to comparably low multiple of P/E and P/S. Biocon's stable revenue growth is mitigated by low profitability and negative Market Capitalization CAGR.

The ranking is a comparative analysis tool, not an investment advice. High P/E or P/S ratios indicate premium valuation, but they may mean overvaluation along with reliance on the positive future expectations.

Findings of the Study

- **Maximum Profitability:** Divi's Laboratories achieved the highest average Net Profit Margin of 28.17 per cent, which is far higher than the margin achieved by other companies.
- **Minimum Profitability:** Biocon reported the average NPM of only 10.79 per cent, while Aurobindo Pharma achieved 11.53 per cent.
- **Maximum Revenue Growth Rate:** Biocon achieved the highest Revenue CAGR of 14.70 per cent and the lowest revenue growth volatility of 1.64 per cent.
- **Revenue Reduction:** Sun Pharmaceutical is the only company to report a negative Revenue CAGR, but its Market Capitalization is significantly high.
- **Maximum Growth of Profit:** Zydus Lifesciences achieved the highest PAT CAGR of 27.64 per cent and an overall PAT growth of 332.34 per cent.
- **Constant Growth of Profit:** Glenmark Pharmaceuticals has the lowest standard deviation of PAT growth and a significant PAT CAGR of 18.44 per cent.
- **Decrease in Profit:** Dr. Reddy's Laboratories and Cipla show negative PAT CAGRs although they have maintained average profits as positive.
- **Maximum Growth of Market Value:** Zydus Lifesciences has the highest Market Capitalization CAGR of 29.38 per cent, while Glenmark and Sun Pharmaceutical follow.
- **Negative Growth of Market Value:** The Market Capitalization CAGR for Biocon is -0.50 per cent despite a good growth rate of revenue.
- **High Valuation:** Divi's Laboratories showed the highest average P/S ratio, and Torrent Pharmaceuticals had the highest representative median P/E ratio.
- **P/E Oddities:** Dr. Reddy's and Sun Pharmaceutical had major differences between mean and median P/E ratios due to unusually high or low earnings.
- **Overall Ranking:** Divi's Laboratories was ranked first, followed by Torrent Pharmaceuticals and Cipla according to the ranking based on four pillars.
- **Discrepancy of Valuations:** Three different types of growth in business were not experienced uniformly by all companies.
- **Company-Specific Performance:** This proves that profitability, stability and market valuation depend on company-specific operating efficiency, quality of earnings, risk and investors' expectations.

CONCLUSION

The comparative assessment illustrates that Indian pharmaceutical companies differ greatly in terms of key performance indicators such as profitability, growth, volatility, and market value. Among these companies, Divi's Laboratories has the best financial portfolio thanks to simultaneous high profitability and high market value. Zydus Lifesciences and Glenmark Pharmaceuticals also showed excellent profit and market capitalization growth, but their growth patterns and performance premiums did not show the same stability.

Biocon showed the highest revenue growth but was unable to translate this gain into high profitability and increase in the shareholders' wealth. The difference in accepted accounting performance and market valuation demonstrates that in assessing the financial and operating performance of the company, an investor should take into account the outlook for growth, quality of earnings, risk associated with regulation, and unique characteristics of the company, not limited to information about revenues.

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